MYSORE ACT No. XLVI OF 1948.

THE MYSORE SALES TAX ACT, 1948.

(AS AMENDED BY ACTS XLIX OF 1949, IV OF 1950, VI OF 1951, V OF 1952 AND 4 OF 1953.)

(Received the assent of His Highness the Maharaja on the 24th day of July 1948.)

An Act to provide for the levy of a tax on the sale of goods in [1][the State of Mysore except Bellary District.]

WHEREAS it is expedient to provide for the levy of a tax on the sale of goods in [1][the State of Mysore except Bellary District;]

It is hereby enacted as follows:—

Short title, extent and commencement.

1. (1) This Act may be called the Mysore Sales Tax Act, 1948.

(2) It extends to the [1][whole of the State of Mysore except Bellary District.]

(3) This section shall come into force at once, and the rest of this Act shall come into force on such date as the Government may, by notification in the official Gazette, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context:—

(*a*) "agricultural or horticultural produce" shall not be deemed to include tea;

(*b*) "assessee" means a person by whom sales tax is payable;

1. See the Mysore Adaptation of Laws Order, 1953.

(*c*) "assessing authority" means any person authorised by the Government to make any assessment under this Act;

(*d*) "dealer" means any person who carries on the business of buying or selling goods;

Explanation.—A co-operative society, a club, a firm, or any association which sells goods to its members is a dealer within the meaning of this clause.

(*e*) "goods" means all kinds of movable property other than actionable claims, stocks and shares and securities and includes all materials, commodities and articles including those to be used in the construction, fitting out, improvement or repair of immovable property or in the fitting out, improvement or repair of movable property; and also includes all growing crops, grass and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale;

(*f*) "license" means a license granted or renewed under this Act;

(*g*) "notification" means a notification published in the official Gazette;

(*h*) "prescribed" means prescribed by rules made under this Act;

(*i*) "registered dealer" means a dealer registered under this Act;

(*j*) "sale" with all its grammatical variations and cognate expressions means every transfer of the property in goods by one person to another in the course of trade or business for cash or deferred payment or other valuable consideration, and includes a transfer of property in goods involved in the execution of a works contract, but does not include a mortgage, hypothecation, charge or pledge;

Explanation.—1. A transfer of goods on hire purchase or other instalment system of payment shall, notwithstanding the fact that the seller retains the title in the goods as security for payment of the price, be deemed to be a sale.

[1][x x x x]

(*k*) "turnover" means the aggregate amount for which goods are either bought by or sold by a dealer, whether for cash or for deferred payment or other valuable consideration provided that the proceeds of the sale by a person of agricultural or horticultural produce grown by himself or grown on any land in which he has an interest whether as owner,

1. Explanation 2 omitted by Act V of 1952.

usufructuary mortgagee, tenant or otherwise, shall be excluded from his turnover;

Explanation.—Subject to such conditions and restrictions, if any, as may be prescribed in this behalf,—

(i) the amount for which goods are sold shall, in relation to a works contract, be deemed to be the amount payable to the dealer for carrying out such contract, *less* such portion as may be prescribed of such amount representing the usual proportion of the cost of labour to the cost of materials used in carrying out such contract;

(ii) the amount for which goods are sold shall include any sums charged for anything done by the dealer in respect of the goods sold at the time of or before the delivery thereof;

(iii) any cash or other discount on the price allowed in respect of any sale and any amount refunded in respect of articles returned by customers shall not be included in the turnover; and

(iv) where for accommodating a particular customer, a dealer obtains goods from another dealer and immediately disposes of the same to the said customer, the sale in respect of such goods shall be included in the turnover of the latter dealer but not in that of the former.

(*l*) "works contract" means any agreement for carrying out for cash or for deferred payment or other valuable consideration, the construction, fitting out, improvement or repair of any building, road, bridge or other immovable property or the fitting out, improvement or repair of any movable property; and

(*m*) "year" means the financial year.

Levy of taxes on sale of goods.

3. (1) Subject to the provisions of this Act—

(*a*) every dealer shall pay for each year a tax on his total turnover for such year; and

(*b*) the tax shall be calculated at the rate of three pies for every rupee on such turnover:

[1][Provided that in the case of textiles manufactured by mills and powerlooms the tax shall be calculated at the rate of six pies for every rupee on such turnover.]

[2][x x x x]

1. Inserted by Act IV of 1950.
2. The exception to sub-section (1) of section 3 omitted by Act IV of 1950.

[1][Provided further that,

(*a*) in the case of cigarettes which are sold by the first dealer—

(i) at less than three pies per cigarette and are to be sold at any retail point to the consumer at not more than three pies per cigarette, the rate of tax payable shall be three pies in the rupee of such turnover;

(ii) at less than six pies per cigarette and are to be sold at any retail point to the consumer at not more than six pies per cigarette, the rate of tax payable shall be ten per cent of such turnover;

(iii) at less than nine pies per cigarette and are to be sold at any retail point to the consumer at not more than nine pies per cigarette, the rate of tax payable shall be twenty per cent of such turnover;

(iv) not falling under item (i), (ii), or (iii), the rate of tax payable shall be thirty per cent of such turnover;

(*b*) in the case of cigars and cheroots which are sold by the first dealer—

(i) at less than two annas per cigar or cheroot and are to be sold at any retail point to the consumer at not more than two annas per cigar or cheroot,—the rate of tax payable shall be three pies in the rupee of such turnover;

(ii) not falling under item (i)—the rate of tax payable shall be thirty per cent of such turnover;

(*c*) in the case of cigarette tobacco and pipe tobacco which are sold by the first dealer, the rate of tax payable shall be thirty per cent of such turnover.]

(2) Subject as aforesaid, the sale of any of the goods mentioned below shall be subject to a tax at the rate specified in respect thereof, at such single point in the series of sales by successive dealers as may be prescribed; and the tax shall be paid by the dealer concerned on his turnover in each year relating to such goods, and shall be in addition

1. Added by Act 4 of 1953

to the tax to which he is liable under sub-section (1) on his total turnover for the year :—

Description of the goods.	*Rate of tax for every rupee in the turnover relating to such goods.*
(1)	(2)
(i) Motor vehicles including motor cars, motor taxicabs, motor cycles and cycle combinations, motor scooters, motorettes, motor omnibuses, motor vans and motor lorries.	
Chassis of motor vehicles.	
Component parts of motor vehicles.	Six pies
Articles (including rubber and other tyres and tubes and batteries) adapted for use as parts and accessories of motor vehicles, not being such articles as are ordinarily also used for other purposes than as parts or accessories of motor vehicles.	
(ii) Refrigerators and air-conditioning plants.	Six pies.
(iii) (*a*) Wireless reception instruments and apparatus and component parts thereof, including all electrical valves, accumulators, amplifiers and loudspeakers which are not specially designed for purposes other than wireless reception.	Three pies.
(*b*) Radio gramophones.	
(iv) (*a*) Cinematographic, photographic and other cameras, projectors and enlargers, lenses and other parts of and accessories to such cameras, projectors and enlargers : and films, plates, paper and cloth required for use therewith.	Three pies
(*b*) Binoculars and opera glasses.	
(v) All electrical goods, instruments, apparatus and appliances, including fans, and lighting bulbs, electrical, earthenware and porcelain, and all other accessories.	Three pies.
(vi) Any pen, pencil, or pen and pencil set sold for twenty rupees or more.	Three pies.
(vii) All clocks, time-pieces and watches and parts thereof.	Three pies.

(3) A dealer whose total turnover in any year is less than ten thousand rupees shall not be liable to pay any tax for that year under sub-section (1) or sub-section (2).

(4) For the purposes of this section and the other provisions of this Act, turnover shall be determined in

accordance with the rules contained in the Schedule to this Act :

Provided that the Government shall have the power to vary any part of the Schedule after duly notifying the changes in the official Gazette.

(5) The taxes under sub-sections (1) and (2) shall be assessed, levied and collected in such manner and in such instalments, if any, as may be prescribed :

Provided that—

(i) in respect of the same transaction of sale, the buyer or the seller, but not both, as determined by such rules as may be prescribed, shall be taxed ;

(ii) where a dealer has been taxed in respect of the purchase of any goods in accordance with the rules referred to in clause (i) of this proviso, he shall not be taxed again in respect of any sale of such goods effected by him.

(6) Subject to such rules as may be prescribed, the assessing authority may assess a dealer for any year as if his transactions in such year has been the same as in the previous year.

Application of the Act.

4. The provisions of section 3 of this Act shall not apply to the sale of [1] [motor spirit as defined in the Motor Spirit (Taxation on Sales) Act, 1949, and] any goods on which duty is or may be levied under the Mysore Excise Act, 1901, or the Opium Act, 1878, as in force in Mysore.

Exemptions and reductions of tax in certain cases.

5. Subject to such restrictions and conditions as may be prescribed, including conditions as to licenses and license fees :—

(i) the sale of cotton (including ginned cotton), of handspun yarn and of any cloth woven on handlooms wholly with handspun yarn by persons not dealing in cloth of any other description, shall be exempt from taxation under section 3, sub-section (1) ;

(ii) the sale of cotton yarn other than handspun yarn shall be liable to tax under section 3, sub-section (1), only at such single point in the series of sales by the successive dealers as may be prescribed and only at the rate of one half of one per cent of the turnover at that point ;

1. Inserted by Act XLIX of 1949.

(iii) the sale of any cloth woven on handlooms wholly or partly with mill yarn shall be exempt from taxation under section 3, sub-section (1), if the sale is to a wholesale or retail dealer in [1][the State of Mysore except Bellary District,] or if the sale is for delivery outside Mysore, and delivery is actually so made;

[2][(iii-*a*) the sale of textiles manufactured by powerlooms, other than mills, shall be exempt from taxation under section 3, sub-section (1), if the sale is to a wholesale or retail dealer in [1][the State of Mysore except Bellary District;]

(iii-*b*) the sale of textiles manufactured by mills shall be liable to tax under section 3, sub-section (1), only at such single point in the series of sales by successive dealers as may be prescribed;]

[3][(iii-*c*) the sale of cigars, cheroots, cigarettes, cigarette tobacco and pipe tobacco, shall be liable to tax under section 3, sub-section (1), only when such goods are first sold in [1][the State of Mysore except Bellary District;]

(iv) the sale of bullion and specie shall be liable to tax under section 3, sub-section (1), only at such single point in the series of sales by successive dealers as may be prescribed and only at the rate of one-fourth of one per cent of the turnover at that point;

(v) the sale of tea grown by the seller or grown on any land in which he has an interest, whether as owner, usufructuary mortgagee, tenant or otherwise, shall be exempt from taxation under section 3, sub-section (1), if the sale is for delivery outside [1][the State of Mysore except Bellary District] and delivery is actually so made;

(vi) the sale of hides and skins, whether tanned or untanned and of newspapers, that is to say, of periodical works containing public news or comments on public news, shall be liable to tax under section 3, sub-section (1), only at such single point in the series of sales by successive dealers as may be prescribed.

Power of Government to notify exemptions and reductions of tax.

6. (1) The Government may, by notification in the official Gazette, make an exemption, or reduction in rate, in respect of any tax payable under this Act—

(i) on the sale of any specified class of goods at all or at specified point or points in the series of sales by successive dealers; or

1. See the Mysore Adaptation of Laws Order, 1963.
2. Inserted by Act IV of 1960.
3. Sub-clause (iii-c) inserted by Act 4 of 1963.

(ii) by any specified class of persons, in regard to the whole or any part of their turnover.

(2) Any exemption from tax, or reduction in the rate of tax, notified under sub-section (1)—

(*a*) may extend to the [1][whole of the State of Mysore except Bellary District] or to any specified area or areas therein;

(*b*) may be subject to such restrictions and conditions as may be specified in the notification, including conditions as to license and license fees.

Liability to tax of persons not observing conditions of license, etc.

7. If any restrictions or conditions prescribed under section 5 or notified under section 6 are contravened or are not observed by a dealer, or in case a condition so prescribed or notified requires that a license shall be taken out or renewed, if a license is not taken out or renewed by the dealer or if any of the conditions of a license taken out or renewed by him are contravened or are not observed, the sales of the dealer, with effect from the commencement of the year in which such contravention or non-observance took place, may be assessed to tax or taxes under section 3, as if the provisions of section 5 or the notification under section 6, as the case may be, did not apply to such sales and notwithstanding that a license, if any, taken out or renewed by the dealer continues to be in force during the year.

Sale of certain goods for delivery outside Mysore.

8. In respect of such finished articles of industrial manufacture as may be notified by the Government and subject to such restrictions and conditions as may be prescribed, a rebate shall be allowed of one-half of the tax levied on sales of such articles for delivery outside [1][the State of Mysore except Bellary District] if such articles are actually so delivered.

Licensing and exemption of agents.

9. The Government may, on application and on payment of such fees as may be prescribed in that behalf, license any person under this section who for an agreed commission or brokerage buys or sells on behalf of known principals specified in his accounts in respect of each transaction and may exempt from the tax or taxes payable under section 3 such of his transactions as are carried out in accordance with the terms and conditions of his license:

Provided always that, save where the transaction consists of a sale by a grower of produce grown by him or on his land, no such exemption shall be given unless the amounts

1. See the Mysore Adaptation of Laws Order, 1958.

for which the goods concerned in such transactions are sold, are included in the turnover of the principals or of the dealers from whom purchases were made or would have been so included but for an exemption provided under this Act:

Provided further that the commission or brokerage agreed upon and specified in the accounts represents the entire remuneration payable to the agent, apart from legitimate incidental charges actually incurred by him and specified in the accounts, in respect of insurance, transport, loading and unloading, godown rent, interest, correspondence, telegrams, the use of the telephone, and the like:

Provided also that the burden of proving that a transaction is exempt, by virtue of this section from the tax or taxes payable under section 3, shall be on the licensee.

Registration of dealers.

10. (1) Every dealer whose turnover in any year is not less than seven thousand five hundred rupees shall, and any other dealer may, get himself registered under this Act, and for that purpose, shall submit an application for registration, to such person, in such manner, within such period, and accompanied by such fee not exceeding six rupees as may be prescribed.

(2) A dealer who has got himself registered in pursuance of sub-section (1) is entitled to have his registration cancelled, if he is able to establish to the satisfaction of the prescribed authority that his turnover in each of the two consecutive years was less than seven thousand five hundred rupees.

(3) A dealer shall, until his registration is cancelled, be liable to pay the fee prescribed as aforesaid, for every year subsequent to that in which he applied for registration.

Collection of tax by dealers.

11. (1) No person who is not a registered dealer shall collect any amount by way of tax under this Act; nor shall a registered dealer make any such collection except in accordance with such conditions and restrictions, if any, as may be prescribed.

(2) Every person who collects any amount by way of tax under this Act, shall pay over to the Government within such time and in such manner as may be prescribed, such collections as are in excess of the tax paid by him for the period during which the collections were made or, in case he has not paid any amount for the period in question, he

shall pay over to Government all the amounts so collected by him; and in default of such payment, the amounts may be recovered as if they were arrears of land revenue.

Procedure to be followed by assessing authority.

12. (1) Every dealer whose turnover is ten thousand rupees or more in a year shall submit such return or returns relating to his turnover in such manner, and within such periods as may be prescribed.

(2) (*a*) If the assessing authority is satisfied that any return submitted under sub-section (1) is correct and complete, he shall assess the dealer on the basis thereof.

(*b*) If no return is submitted by the dealer under sub-section (1) before the date prescribed or specified in that behalf or if the return submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority shall assess the dealer to the best of his judgment:

Provided that before taking action under this clause the dealer shall be given a reasonable opportunity of proving the correctness and completeness of the return submitted by him.

Payment and recovery of tax.

13. The tax assessed under this Act shall be paid in such manner and in such instalments, if any, and within such time, as may be specified in the notice of assessment not being less than fifteen days from the date of service of the notice. In default of such payment the whole of the amount then remaining due may be recovered as if it were an arrear of land revenue.

Appeals.

14. (1) Any assessee objecting to an assessment made on him may, within thirty days from the date on which he was served with notice of assessment, appeal to such authority as may be prescribed:

Provided that no appeal shall be entertained under this sub-section unless it is accompanied by satisfactory proof of the payment of the tax admitted by the appellant to be due or of such instalments thereof as might have become payable, as the case may be.

(2) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(3) The appellate authority may, after giving the appellant an opportunity of being heard, pass such orders on the appeal as such authority may think fit.

(4) Every order passed in appeal under this section shall, subject to the provisions of sections 15 and 16, be final.

Revision.

15. (1) The Government may in its discretion call for and examine the record of any order passed or proceedings recorded by any authority, officer or person under the provisions of this Act, including sub-section (2), for the purpose of satisfying itself as to the legality or propriety of such order or as to the regularity of such proceedings and may pass such order in reference thereto as it thinks fit.

(2) Powers of the nature referred to in sub-section (1) may also be exercised by such authority or officer and in such class of cases as may be prescribed, including cases where an inferior authority or officer has exercised it or his powers under this sub-section.

(3) The powers conferred under sub-sections (1) and (2) may be exercised by the Government or by the authority or officer concerned, as the case may be, *suo motu* at any time, or on application preferred within six months of the passing or recording of the order or proceeding in question.

(4) Nothing contained in this section shall apply to the orders or proceedings of any court or magistrate.

Statement of case to High Court.

16. (1) Within sixty days of the passing of an order by an appellate authority under sub-section (3) of section 14 or by a revising authority under sub-section (2) of section 15, affecting any liability of any dealer to pay tax under this Act, such dealer or such assessing authority as may be prescribed, may, by application in writing (accompanied where the application is made by a dealer by a fee of one hundred rupees), require the appellate or the revising authority, as the case may be, to refer to the High Court, any question of law arising out of such order and where the appellate or the revising authority, as the case may be, agrees, such authority shall draw up a statement of the case and refer it to the High Court.

(2) If for reasons to be recorded in writing the appellate or the revising authority, as the case may be, refuses to

make such reference, the applicant may, within thirty days of such refusal, either—

(*a*) withdraw his application (and if the applicant who does so is a dealer, the fee paid by him shall be refunded) or

(*b*) apply to the High Court against such refusal.

(3) If upon the receipt of an application under clause (*b*) of sub-section (2), the High Court is not satisfied that such refusal was justified, it may require the appellate or the revising authority, as the case may be, to state a case and refer it to the High Court and on receipt of such requisition the appellate or the revising authority, shall state and refer the case accordingly.

(4) If the High Court is not satisfied that the statements in a case referred under this section are sufficient to enable it to determine the question of law raised thereby, it may refer the case back to the appellate or revising authority, as the case may be, to make such additions thereto or alterations therein as the High Court may direct in that behalf.

(5) The High Court upon the hearing of any such case shall decide the question of law raised thereby, and shall deliver its judgment thereon containing the grounds on which such decision is founded and shall send to the appellate or revising authority, as the case may be, a copy of such judgment under the seal of the Court and the signature of the Registrar, and the appellate or revising authority shall dispose of the case accordingly.

(6) Where a reference is made to the High Court under this section, the costs including the disposal of the fee referred to in sub-section (1), shall be in the discretion of the Court.

(7) The payment of the amount, if any, of tax due in accordance with the order of the appellate or revising authority, as the case may be, in respect of which an application has been made under sub-section (1) shall not be stayed pending the disposal of such application or any reference made in consequence thereof, but if such amount is reduced as the result of such reference, the excess tax paid shall be refunded either by cash payment or, at the option of the dealer, by deduction of such excess from the amount of tax due in respect of any other period.

Accounts to be maintained.

17. Every registered dealer and every person licensed under this Act shall keep and maintain a true and correct account, showing the goods sold and bought by him and

the value thereof, goods of each of the kinds specified in section 3, sub-section (2), being shown separately; and in case the accounts maintained in the ordinary course, do not show the same in an intelligible form, he shall maintain a true and correct account in such form as may be prescribed in this behalf:

Provided that after the expiry of one year from the date of commencement of this Act, it shall be obligatory for a dealer to maintain his accounts in Kannada or English.

Powers to order production of accounts and powers of entry and inspection.

18. (1) Any officer empowered by the Government in this behalf, may for the purpose of this Act, require any dealer carrying on business in any kind of goods to produce before him the accounts and other documents, and to furnish any other information relating to such business.

(2) All accounts and registers maintained by dealers in the ordinary course of their business, the goods in their possession and their offices, shops, godowns, vessels or vehicles shall be open to inspection at all reasonable times by such officers as may be authorized in this behalf.

(3) Any such officer shall have power to enter, for the purpose referred to in sub-section (2), any office, shop, godown, vessel, vehicle or any other place in which business is done.

Act to apply to non-resident dealers with certain modifications and additions.

19. In the case of any person carrying on the business of buying or selling goods in [1][the State of Mysore except Bellary District] but residing outside Mysore, (hereinafter in this section referred to as a "non-resident"), the provisions of this Act shall apply subject to the following modifications and additions, namely:—

(i) In respect of the business of the non-resident, his agent residing in [1][the State of Mysore except Bellary District] shall be deemed to be the dealer.

(ii) The agent of a non-resident shall be assessed to tax or taxes under this Act at the rate or rates liable thereunder in respect of the business of such non-resident in which the agent is concerned, irrespective of the amount of the turnover of such business being less than the minimum specified in section 3, sub-section (3).

(iii) Without prejudice to his other rights, any agent of a non-resident who is assessed under this Act in respect of the business of such non-resident may retain out of any moneys payable to the non-resident by the agent, a sum

1. See the Mysore Adaptation of Laws Order, 1958.

equal to the amount of the tax or taxes assessed on or paid by the agent.

(iv) Where no tax would have been payable by the non-resident in respect of his business in [1][the State of Mysore except Bellary District] by reason of the turnover thereof being less than the minimum specified in section 3, sub-section (3), he shall be entitled to have the amount of the tax or taxes paid by his agent refunded to him on application made to the assessing authority concerned, or where more than one such authority is concerned, to such one of the authorities as may be authorised in this behalf by the Government by general or special order.

(v) Such application shall be made within twelve months from the end of the year in which payment was made by or on behalf of the non-resident of the tax or taxes or any part thereof.

Offences and penalties.

20. Any person who—

(*a*) wilfully submits an untrue return or fails to submit a return as required by the provisions of this Act or the rules made thereunder, or

(*b*) fails to pay within the time allowed, any tax assessed on him, or any fee due from him, under this Act, or

(*c*) prevents or obstructs inspection or entry by any officer authorised under section 18, in contravention of the terms thereof, or

(*d*) fraudulently evades the payment of any tax assessed on him, or any fee due from him, under this Act, or

(*e*) fails to submit an application for registration as required by section 10, sub-section (1), or

(*f*) collects any amount by way of tax under this Act, in contravention of the provisions of section 11, sub-section (2), or

(*g*) fails to pay the amounts specified in section 11, sub-section (2), within the prescribed time, or

(*h*) wilfully acts in contravention of any of the provisions of this Act,

shall, on conviction by a Magistrate of the first class, be liable to a fine which may extend to one thousand rupees and in the case of conviction under clauses (*b*), (*d*), (*f*) or (*g*), the Magistrate shall specify in the order the tax, fee or other amount which the person convicted has failed or evaded to pay or has wrongfully collected, and the tax, fee or amount so specified shall be recoverable as if it were a fine.

1. See the Mysore Adaptation of Laws Order, 1953.

Composition of offences.

21. The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence—

(*a*) where the offence consists of the failure to pay, or the evasion of, any tax recoverable under this Act, in addition to the tax so recoverable, a sum of money not exceeding one thousand rupees or double the amount of the tax recoverable, whichever is greater, and

(*b*) in other cases, a sum of money not exceeding one thousand rupees.

Assessments not to be questioned in Courts.

22. Save as provided in section 16, no assessment made and no order passed under this Act or the rules made thereunder by any assessing authority shall be called in question in any [1][x x] Court, and save as is provided in sections 14 and 15, no appeal or application for revision shall lie against any such assessment or order.

Bar of suits and proceedings in Court.

23. No prosecution, suit or other proceeding shall lie against any Government officer for anything in good faith done or intended to be done under this Act.

Disclosure of information by a public servant.

24. (1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any record of evidence given in the course of any proceedings under this Act other than proceedings before a Criminal Court shall, save as provided in sub-section (3), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872, no Court shall, save as aforesaid, be entitled to require any Government servant to produce before it any such statement, return, account, document or record or any part thereof, or to give evidence before it in respect thereof.

(2) If, save as provided in sub-section (3), any Government servant discloses any of the particulars referred to in sub-section (1), he shall be punishable with imprisonment which may extend to six months or with fine or with both.

[2][(3) Nothing in this section shall apply to the disclosure of any of the particulars referred to in sub-section (1);

1. The word "Civil" omitted by Act VI of 1951.

2. Substituted by Act VI of 1951.

(*a*) for the purposes of a prosecution under the Indian Penal Code, in respect of any statement, return, accounts, documents or evidence, or for the purposes of a prosecution under this Act; or

(*b*) to an officer of the Central Government, as may be necessary, for the purpose of enabling that Government to levy or realise any tax imposed by it.]

25. (1) The Government may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) all matters expressly required or allowed by this Act to be prescribed;

(*b*) the licensing of persons engaged in the sale of goods and the imposing of conditions in respect of the same for the purpose of enforcing the provisions of this Act and fees for licenses;

(*c*) the assessment to tax under this Act of businesses which are discontinued or the ownership of which has changed;

(*d*) the assessment to tax under this Act of businesses owned by minors and other incapacitated persons or by persons residing outside [1][the State of Mysore except Bellary District;]

(*e*) the assessment of a business owned by any person whose estate or any portion of whose estate is under the control of any receiver or manager (including any person whatever his designation who in fact manages property on behalf of another) appointed by or under any order of a Court;

(*f*) the assessment to tax under this Act of any turnover which has escaped assessment, and the period within which such assessment may be made not exceeding three years;

(*g*) the rectification of mistakes apparent from the record of any assessment, appeal or revision and the period within which such rectification may be made;

(*h*) compelling the submission of returns and the production of documents and enforcing the attendance of persons and examining them on oath or affirmation;

1. See the Mysore Adaptation of Laws Order, 1953.

(*i*) securing that returns furnished or accounts or documents produced or evidence of any kind given under this Act before any assessing authority or on appeal or revision from any decision of such authority are kept confidential;

(*j*) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act;

(*k*) generally regulating the procedure to be followed and the forms to be adopted in proceedings under this Act; and

(*l*) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the Government may provide that a person guilty of a breach thereof shall, on conviction by a Magistrate of the first class, be punishable with fine which may extend to one thousand rupees and, where the breach is a continuing one, with further fine which may extend to fifty rupees for every day after the first during which the breach continues.

(4) The power to make rules conferred by this section shall be subject to the condition of the rules being made after previous publication for a period of not less than four weeks.

(5) All rules made under this section shall be published in the Official Gazette, and upon such publication shall have effect as if enacted in this Act.

Power to remove difficulties.

26. If any difficulty arises in giving effect to the provisions of the Act, the Government may, as occasion may require, by order, do anything which appears to them necessary for the purpose of removing the difficulty.

Tax not leviable in certain cases.

27. [1][Notwithstanding anything contained in this Act—

(*a*) a tax on the sale or purchase of goods shall not be imposed under this Act,

(i) where such sale or purchase takes place outside the State of Mysore; or

1. Added by Act V of 1952.

(ii) where such sale or purchase takes place in the course of import of the goods into, or export of the goods out of, the territories of India ;

(*b*) a tax on the sale or purchase of any goods shall not be imposed where such sale or purchase takes place in the course of inter-State trade or commerce except in so far as Parliament may by law otherwise provide.

Explanation.—For the purposes of sub-clause (i) of clause (*a*), a sale or purchase shall be deemed to have taken place in the State in which the goods have actually been delivered as a direct result of such sale or purchase for the purpose of consumption in that State, notwithstanding the fact that under the general law relating to sale of goods the property in the goods has by reason of such sale or purchase passed in another State.]

THE SCHEDULE.

Rules for the Computation of turnover.

[1][1. (1) Save as provided in sub-rule (2) the gross turnover of a dealer shall be the amount for which goods are sold by him.]

(2) In the case of untanned hides and skins bought [2][by a tanner] in [3][the State of Mysore except Bellary District] the gross turnover of a dealer shall be the amount for which the goods are bought by him.

Explanation.—For the purposes of sub-rule (1), the amount for which goods are sold by dealer shall, in relation to a Works Contract, be deemed to be the amount payable to the dealer for carrying out such contract less a sum not exceeding such percentage of the amount payable as may be fixed by the Government, from time to time for different areas, representing the usual proportion in such areas of the cost of labour to the cost of materials used in carrying out such contract, subject to the following maximum percentages :—

		Per cent
(*a*) In the case of an Electrical Contract	...	[4][30]
(*b*) In the case of a Structural Contract	...	[4][85]
(*c*) In the case of a Sanitary Contract	...	33⅓
(*d*) In the case of other Contracts	...	30

2. (1) The tax or taxes under section 3 or 5 or the notification or notifications under section 6 (1) shall be levied on the net turnover of a dealer. In determining the net turnover the amounts specified in clauses (*a*) to (*k*) shall, subject to the conditions specified therein, be deducted from the gross turnover of a dealer :—

1. Substituted by Notification No. Fl. 1—S.T. 8-50-12, dated the 1st April, 1951.
2. Substituted by Notification No. Fl. 4974—S.T. 28-52-3, dated the 11th August 1952.
3. See the Mysore Adaptation of Laws Order, 1953.
4. Substituted by Notification No. Fl. 7033—S.T. 52-51-3, dated 27th February 1952.

(*The Schedule*)

(*a*) all amounts allowed as discount, provided that such discount is allowed in accordance with the regular practice of the dealer or is in accordance with the terms of a contract or agreement entered into in a particular case and provided also that the accounts show that the purchaser has paid only the sum originally charged less the discount;

(*b*) all amounts allowed to purchasers in respect of goods returned by them to the dealer, provided that the accounts show the date on which the goods were returned and the date on which and the amount for which refund was made or credit was allowed to the purchaser;

(*c*) all amounts for which the dealer sells articles which are not in his stock but which are obtained by him from another dealer specially to accommodate a particular customer and are immediately sold to such customer, provided that the sale is entered in the accounts then and there as an accommodation sale together with the name of the dealer from whom the articles were obtained and provided that the accommodation dealer does not make a profit out of the transaction;

(*d*) all amounts for which goods excluded from the operation of the Act under section 4 are sold, provided that separate accounts are kept for transactions in each of such goods;

(*e*) all amounts for which goods exempted under section 5 are sold, provided that the dealer is licensed under the Act in respect of such business and that the transactions are by virtue of the Act or these rules or the provisions of the license exempt from taxation under the Act;

(*f*) all amounts for which goods are sold or purchased by a person licensed under section 9, provided that such sales or purchases are exempted from taxation under the Act by virtue of the provisions of the Act or these rules or the terms of the license;

(*g*) all amounts falling under the following two heads, when specified and charged for by the dealer separately, without including them in the price of the goods sold:—

(i) freight;

(ii) charges for packing and delivery and other such like services;

(*h*) all amounts realised by the sale by a dealer of his business as a whole;

(*i*) the excise duty, if any, paid [1][by the dealer to the Central Government] in respect of the goods sold by him;

(*j*) all amounts for which salt is sold; and

(*k*) all amounts which a registered manufacturer of groundnut oil and cake may be entitled to deduct from his gross turnover under rule 3 subject to the conditions specified in that rule.

(2) In the case of dealers having more than one place of business the aggregate turnover of all such places of business shall be taken as the turnover of the business for the purpose of these rules. All returns

1. Substituted by Notification No. Fl. 4974—S.T. 28-52-3 dated 11th August 1952.

prescribed by these rules shall in such cases be submitted by the head office in [1][the State of Mysore except Bellary District] and shall include the turnover of all branches of the business.

Each branch shall also

(*a*) submit to the assessing authority of the area in which it is situated, a return of the turnover of the branch in the prescribed form ; and

(*b*) intimate to such authority the fact that the return of the turnover of its business is included in the return submitted by its head office and specify the name and address of such head office.

(3) For the purposes of determining whether a dealer is eligible for exemption under section 3 (3) only the net turnover as defined in sub-rule (1) shall be taken into consideration.

3. (1) Any dealer who manufactures groundnut oil and cake from groundnut and/or kernel purchased by him may, on application to the assessing authority having jurisdiction over the area in which he carries on his business, be registered as a manufacturer of groundnut oil and cake.

(2) Every such manufacturer shall be entitled to a deduction under clause (*k*) of sub-rule (1) of rule 2 equal to the value of the groundnut and/or kernel purchased and converted by him into oil and cake provided that the amount for which the oil is sold is included in his turnover.

Explanation.—For the purpose of this sub-rule—

(*a*) One hundred and forty-three lb. of groundnut shall be taken to be equivalent to 100 lb. of kernel;

(*b*) One hundred and forty-three lb. of groundnut or 100 lb. of kernel shall, when converted into oil, be taken to yield 43 lb. of oil ; and

(*c*) One candy of oil shall be taken to be equivalent to 500 lb. of oil.

(3) Every such manufacturer shall, not later than the last day of every quarter, submit a statement to the registering authority furnishing the following particulars in respect of transactions relating to the previous quarter :—

(i) the aggregate amount of groundnut and/or kernel purchased by him, and the total purchase price ; and

(ii) the quantity of the groundnut oil manufactured, the amount of which it was sold and the amount included in the turnover.

(4) For the purposes of sub-rule (2), the value of the groundnut and/or kernel shall be calculated on the price for which the manufacturer purchased the groundnut and/or kernel in the quarter to which his application for deduction relates or, if no purchase was made in that quarter in the last preceding quarter in which the manufacturer made the purchase.

(5) No deduction under clause (*k*) of sub-rule (1) of rule 2 shall be allowed in connection with the sale of groundnut cake.

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1. See the Mysore Adaptation of Laws Order, 1953.